

Secret

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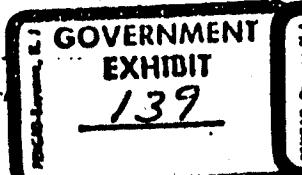
12.1.76

RE SILVER

Dear No,

10744

19 E
MR
1094



EX. 17

RE: SILVER

11.30.76

This report is to supply a brief resume of the Silver data already sent uplines and a more detailed report of Silver happenings to date.

A combined Silver/MM cover story is being prepared by the NATL SEC (Cindy) and will be reported on separately.

This report is written following meetings with the DG L US to work out putting Silver onto Legal lines.

Here is the Silver story in brief:

In mid 1974 Silver was recruited in LA and sent to DC following prayer day to provide a resource for the 1361 penetration cycle. At that time I worked with Silver as a CO and placed him as a clerk/typist with the 1361 agency.

From the late fall of 1974 thru June 1976 Silver worked in the 1361 agency and during this stretch was responsible for obtaining a large volume of 1361 data including correspondence and reports from a number of other agencies.

In the spring of 1976 Silver and MM worked out how to make 1361 agency ID's and began using these ID's to do a large number of walk in's on different agencies around the city.

The method was to locate a target area, go in after hours using their ID, gather up and copy any data of interest.

The Office of US Attny Nathan Dorfman was among the target areas and in the spring of 1976 was being worked on regularly.

At this time access to ND's office was obtained by using ID to gain access to the Federal District Court building (which housed ND's office) after hours, then going into a facility of the DC Bar Association Library in the District Court building which is opened in the evenings, and then exiting thru a back exit from the library facility to a back hall leading to the office of ND.

On the evening of June 11, 1976 Silver and MM were stopped in the library by 2 FBI agents. They showed the agents false 1361 area ID. In the initial confusion MM gave out an address near his actual one and Silver gave out the correct name of his work supervisor. MM also said he was not currently working at Silver and so one of the FBI agents seized his ID. The clues provided by the above led to identification of MM and Silver. At that point the agents were not prepared or felt it was a minor matter. MM asked if he was under arrest, was told no and so he and Silver just left.

From this point on steps were taken to remedy as best as possible the facts that no sufficient cover story had been prepared in advance and that the use of the false ID was a federal criminal offense.

On June 12, 1976 MM flew out to US where he remained.

On June 13 Silver flew out to US and on June 14 returned to DC to tie up any loose ends possible. This included cleaning out his apartment, arranging for and retaining an attorney and briefing the attorney using

The cover story prepared at US, contacting any possible people (such as those listed on his phone bills) who might be traced down and who might have data on him and briefing them not to give out the data.

On June 30, 1976 Silver was arrested at work by FBI agent Chris Hansen. As arranged he called his attorney and was released finally on his own recognizance with the agreement that he call the court weekly and agree to take a handwriting test for the FBI. Alternative on this was jail.

Silver's story as prepared was that he met a guy in Georgetown, got involved in drinking, got drunk and on a lark went into 1361 agency and found ID room opened and made ID. They had been planning to write tax articles to make money and so hit upon the bright idea of using the fake ID to research in the evenings at the DC Bar association library facility in the Federal District Court building.

Both Silver's attorney and the US attorney (zsst) appeared to be treating the matter quite lightly. Silver as per his prepared story "wanted to make a clean breast of it" and his attorney and the Assistant US attorney were going along the lines of "a lark gone sour."

In early July (4) the dreadful doc business took place. This may or may not have had an influence upon the Silver investigation.

At any rate during July the 1361 agency inspection service investigated Silver at his home town in TC and located several people he had known 3-5 years ago while there and determined that Silver had been involved in SCN.

On July 16 Silver and his attorney met with representatives of the US Attorney's office DC, present was Carl Rauh the principal assistant US attorney who stated he didn't believe a word Silver said and heavily attacked his story. Specific points of attack were disbelief that a cleaning lady showed Silver and MM the xerox machine, that they didn't know they were in the US Attorney's Office and the ease of getting into 1361 agency ID room.

On July 28, 1976 Silver had a hearing and as a result of it the magistrate bound over the case to the grand jury. At this point Silver went to stay with some friends in Ohio at a farm and then returned to the TC area where he has been supporting himself as a musician.

On Aug 5, 1976 a sealed warrant was issued for MM for forgery of a govt ID. FBI agent Chris Hansen is still heading the investigation attempting to locate MM and apparently IRS agents are also quite interested.

On Aug 30, 1976 2 FBI agents showed up at DC org looking for MM.

On Sept. 10, 1976 DCCO PR GAS Greg Taylor was arrested by 17 plainclothes IRS agents after having been mistaken for MM.

On Sept. 14, 1976 Silver called his attorney to try to push the case. The attorney stated that he felt the case was a frivolous one and there was no need to hassle about it as the longer it went on the more likely the government was to drop the case. The attorney said he had sent an answer to an earlier letter from Silver inquiring into what was going on.

The attorney appeared to be a bit arc broken by Silver's earlier refusal to take a lie detector test requested by the govt.

On Sept. 27, 1976 Silver received a letter from his attorney that there was no transcript of his hearing and wouldn't be unless Silver was indicted by the grand jury and said tha there was no work from the govt and nothing Silver could do to speed up the case and that he (the attorney) would rather not do anything either as the govt may not indict on the grounds that the case was frivilous.

During the past 3 weeks it was worked out to put Silver onto Legal lines. For this DC was able to find out from the US Attorney's Office thru DC's attorney that Silver was formerly in SCN and that he was in MN. A quick call to the AG TC gave DC Silver's location overtly. This data was turned over to Legal DC to contact Silver and then be put in touch with his attorney.

Basic assumption here is that it is not illegal or a crime to be a SCN, and the fact of whatever Silver's religion is is irrelevant to whatever he may have done. Treatment of it otherwise by the govt is simply religious discrimination.

At any rate the matter now stands with Silver in TC working as a musician and being run by AG I DC; Silver's attorney letting the govt wind its way to dropping the entire matter as frivilous; and a CSW being put together by DG L US (in consultation with me) to get Silver onto Legal lines. By this is mean t to have Legal contact Silver and get reference to his attorney and then tox work directly with Silver's attorney on the matter.

Beyond this an overall cover story for MM and Silver is being put together by Natl Sec to submit uplines for final approval. No date has been set for the completion of this cycle.

As prediction for MM cycle will be obtained by getting Silver into court, Legal will be pushing the attorney to get the matter into court. Until CSW is approved the Silver matter sits as above.

Love,

Mike